

**RAYMOND GOODCHILD
RACHEL GOODCHILD
("The Trustees")**

**RAYMOND GOODCHILD
RACHEL GOODCHILD
("The Members")**

RAY GOODCHILD SUPERANNUATION FUND

**IRDI LEGAL
248 Oxford Street
LEEDERVILLE WA 6007**

**Telephone: 9443 2544
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Ref:KM:l20031079

Self-Managed Superannuation Trust Deed
The Ray Goodchild Superannuation Fund

THIS DEED is made the 14TH day of August 2003
between:

ABN 66 012 878 629
WESTERN AUSTRALIA STAMP DUTY
19/08/03 10:49 002134957-001
DUP \$ ***** 5.00
Q/S \$ *****20.00

PARTIES:

RAYMOND GOODCHILD and RACHEL GOODCHILD both of 8 Motril Avenue,
Coogee, Western Australia, ("the Trustees")

and

RAYMOND GOODCHILD and RACHEL GOODCHILD both of 8 Motril Avenue,
Coogee, Western Australia, ("the Members")

BACKGROUND

- A. The Trustees, as individual trustees, have determined to establish and maintain an indefinitely continuing superannuation fund (hereinafter called "the Fund") to be known by the name stated in the First Schedule with the primary object of providing fully secured superannuation benefits by way of old age pensions (or approved other forms of pension) with allowable commutation rights for the Members whose details are set out in the First Schedule and the dependants of those Members.
- B. The Trustees have agreed to conduct the Fund as a complying and regulated self-managed superannuation fund pursuant to the provisions of Relevant Law.
- C. The Members and the Trustees are the same for the purposes of SISA.
- D. The Trustees will act as the only trustees of the Fund, but subject always to the provisions set out in the Rules.

OPERATIVE PART

1. Definitions

- 1.1 Subject to the Rules and the additional definitions therein contained, the following words and expressions shall, unless the context or subject matter otherwise indicates or requires, have the following meanings ascribed to them:

“Deed” means this deed and the Schedules forming part of this deed and the Rules annexed hereto as amended from time to time.

“Member” means the member or members named in the First Schedule to this deed any future member or members of the Fund.

“the Fund” means the indefinitely continuing superannuation or pension fund created pursuant to the provisions of this deed and to be known by the name set out in the First Schedule hereto.

“Relevant Law” has the same meaning as set out in clause 1.38 of the Rules.

“Rules” means the Rules stated in the annexures hereto including amendments to the Rules from time to time.

“Schedules” means the schedule to this deed.

“SISA” means the Superannuation Industry (Supervision) Act 1993, and the Regulations thereunder, as amended from time to time.

“Trustees” means the trustees named above, and any trustee or trustees in substitution for the trustees as set out in the Rules.

1.2 Additional Definitions and Interpretation

Additional definitions and the interpretation of this Deed and the Schedules and the Rules annexed hereto shall be as set out in the Rules, and which Rules form part of this deed.

2. Commencement of Fund

The Fund shall be established and maintained under Relevant Law as an indefinitely continuing self-managed fund to provide fully secured superannuation benefits by way of lump sum payments or old age pensions (or other approved forms of pension) and ancillary benefits for Members, and shall commence from the commencement date set out in the Second Schedule.

3. The Trustees

The Trustees of the Fund for the time being may only be appointed, removed and replaced in the manner set out in the Rules.

4. The Assets

The assets of the Fund shall be vested in the Trustees upon trust to be applied in the manner set out in the Rules and Schedules.

5. Administration

The administration of the Fund shall be performed in accordance with the Rules.

6. Self-Managed Superannuation Fund

In carrying out the duties pursuant to the terms of this deed, the Trustees undertake to abide by the covenants to be observed by trustees of regulated self-managed superannuation entities as required by Relevant Law.

7. Investment Strategy

The Trustees will as soon as practicable upon execution of the deed formulate and give effect to an investment strategy which complies with the requirements of Section 52 of SISA.

8. Self-Managed Fund

The Trustees intend to conduct the Fund as a regulated self-managed superannuation fund subject to the requirements of SISA.

9. Trustees' Covenants

In pursuance of the objects of this deed and for the purposes of carrying those objects into effect the Trustees now and in the future covenant to perform and observe the provisions of this deed.

EXECUTED as a deed.

FIRST SCHEDULE**Name of Fund:**

The Ray Goodchild Superannuation Fund

Name, Address and Date of Birth of the Members of the Fund

Name: Raymond Goodchild
 Address: 8 Motril Avenue
 Address: Coogee, Western Australia
 Date of Birth: 4 January 1964

Name: Rachel Goodchild
 Address: 8 Motril Avenue
 Address: Coogee, Western Australia
 Date of Birth: 19 February 1972

SECOND SCHEDULE**Commencement Date of the Fund**

The date of execution of this deed.

Entry Date

In respect of the Member or Members of the Fund named in the First Schedule, the entry date is the Commencement Date of the Fund. Future Members will be admitted on such dates as are determined by the Trustees.

Total Membership

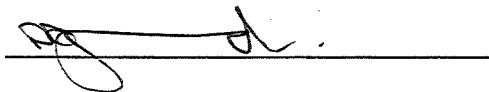
There must not be more than (4) members of the Fund at any one time.

Retirement Date

The sixty-fifth (65th) anniversary of the date of birth of the Member or such other date as the Trustee or Trustees of the Fund may determine generally or in respect of an individual member provided however than in any event the retirement date will be not later than the seventieth (70th) birthday of the Member, and not earlier than the earliest retirement date as allowed under Relevant Law, and subject always to the requirements laid down in respect of complying regulated self-managed funds pursuant to the provisions of Relevant Law.

EXECUTION BY TRUSTEES/MEMBERS:

SIGNED by)
RAYMOND GOODCHILD)
In the presence of :)



Signature of Witness

Brent Andrew Fairhead

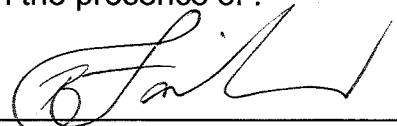
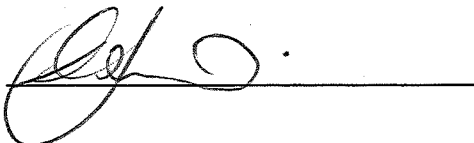
2 Lachlan Way
Name of Witness

Bibra Lake WA 6163

Financial Adviser

Occupation of Witness

SIGNED by)
RACHEL GOODCHILD)
In the presence of :)



Signature of Witness

Brent Andrew Fairhead

2 Lachlan Way
Name of Witness

Bibra Lake WA 6163

Financial Adviser

Occupation of Witness

GOVERNING RULES

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The Governing Rules

These are the Rules referred to in the Deed to which these Rules are annexed.

1. Definitions

- 1.1. In the Deed and these Rules unless the context otherwise requires, the following words and expressions have the following meanings:
- 1.1.1. **"Actuary"** means a person who is a Fellow or an Accredited Member of the Institute of Actuaries of Australia.
 - 1.1.2. **"Ancillary Benefits"** means all or any of the benefits described in Rule 23.
 - 1.1.3. **"Allocated pension"** means an income stream paid out of a Member's Account Balance or an agreed portion of same, subject to such other definition as is included in Relevant Law.
 - 1.1.4. **"Alternate Fund"** means any other superannuation fund, retirement fund, deposit fund, or roll-over fund approved by the Regulatory Authority for the purposes of Relevant Law.
 - 1.1.5. **"Approved auditor"** means an approved auditor defined by the Regulations or as approved under Relevant Law.
 - 1.1.6. **"Benefit direction"** means a written notice under Rule 57.
 - 1.1.7. **"Benefit nomination"** means a written notice under Rule 56.
 - 1.1.8. **"Corporations Law"** means the Corporations Act 2001 and the Regulations thereunder in force from time to time, and any other laws relating to or governing the conduct of corporations within Australia, and **"Corporate Trustee"** means a corporation governed by the Corporations Law.
 - 1.1.9. **"CPI"** means the Consumer Price Index number that is the weighted average of the eight (8) capital cities published by the Australian Statistician from time to time.
 - 1.1.10. **"Crediting Rate"** means a rate declared under Rule 32.

- 1.1.11. **"Deed"** means the Deed of which these Rules form part.
- 1.1.12. **"Dependants"** means a spouse or a child of a Member (including any stepchild or any ex-nuptial or adopted child, and any child of a Member born within ten (10) months after the death of the Member) or any other person whom the Trustees determine to be financially dependent on that Member at the relevant time (being in the case of a deceased person the date of his or her death), and any other person permitted by Relevant Law to be considered a dependent.
- 1.1.13. **"Employee"** means a person who is in the permanent employment of an Employer, whether on a full time or part time basis and, where the Employer is a company, includes a director of the company.
- 1.1.14. **"Employer"** means the employer or employers (if any) of a Member from time to time.
- 1.1.15. **"Forfeited Benefits Account"** means the account referred to in Clause 30 of these Rules.
- 1.1.16. **"Fund"** means the Trust Fund named in the Deed.
- 1.1.17. **"Fund Year"** means a calendar year commencing the first day of July and ending on the thirtieth day of June following, or such other period as determined by the Trustees.
- 1.1.18. **"Gainful Occupation"** means engagement in any business, trade, profession, vocation, calling, occupation or employment including but not limited to employment and/or engagement in any directorship agency dealership business undertaking or contractual undertaking, and "gainfully occupied" shall have a like meaning.
- 1.1.19. **"Guarantee Act"** means the Superannuation Guarantee (Administration) Act 1992 as amended from time to time.
- 1.1.20. **"Insurer"** means such insurance company as the Trustees may select from time to time.
- 1.1.21. **"Lump Sum"** means the amount of benefit, other than a Pension, payable to or in respect of a Member.

- 1.1.22. **"Member"** means any person who has been validly admitted to membership of the Fund as provided by these Rules, and who continues to have rights or contingent rights to benefits in the Fund.
- 1.1.23. **"Member's Account"** means in respect of a Member an account maintained by the Trustees in the name of the Member, the balance of which, together with all other entitlements of the Member in the Fund, represents the Member's Account Balance.
- 1.1.24. **"Member's Account Balance"** means the total of the amounts properly standing to the credit of a Member from time to time as disclosed in the books of account of the Fund.
- 1.1.25. **"Member's Transferred Benefit"** means in respect of a Member an amount equal to the sum of the amount of benefit transferred into the Fund pursuant to Clause 28 of these Rules, and including that Member's apportioned share of all forfeited benefits.
- 1.1.26. **"Pension" and "old age pension"** have the same meanings as defined in SISA or Relevant Law.
- 1.1.27. **"Pensioner"**, means a Member who is entitled to a pension pursuant to these Rules;
- 1.1.28. **"Permanent Incapacity" or "Permanent Invalidity"** means in respect of a Member, permanent incapacity or permanent invalidity as certified in writing by two registered medical practitioners, including the statement that the Member is unlikely ever to be able to work again in a job for which the Member is reasonably qualified by education, training or experience provided however that where any part of the benefit payable in the event of permanent incapacity or permanent invalidity is insured, the definition of "permanent incapacity" or "permanent invalidity" or other definition of similar meaning contained in the policy or policies evidencing the insurance shall apply unless inconsistent with the requirements of the Regulatory. Authority.

- 1.1.29. **"Personal Representative"** means the person or persons to whom Probate or Letters of Administration has been granted in respect of a Member's estate, or whom the Trustees shall otherwise be entitled at law to recognise as the personal representative of a Member's estate.
- 1.1.30. **"Policy"** means a policy of insurance or any annuity policy including any policy rider or addendum or annexure effected or accepted for the purposes of the Fund by the Trustees and issued by the Insurer.
- 1.1.31. **"Preserved Benefit"** means in respect of a Member the sum of the amount of benefit whether by cash, policy proceeds or otherwise, whether accepted by the Trustees as a transfer from an Alternate Fund or otherwise arising, and recognised as a Preserved Benefit under the provisions of Clause 20 of these Rules.
- 1.1.32. **"Professional Adviser"** means an accountant, actuary, auditor, banker, barrister, insurer, investment advisor, medical practitioner, solicitor, stockbroker, superannuation consultant, superannuation fund administrator, nominee or trustee company or other professional or qualified company firm or person.
- 1.1.33. **"Reasonable Benefit Limits" or "R.B.L."** means the reasonable benefit limits prescribed from time to time under Relevant Law.
- 1.1.34. **"Regulations"** means the Regulations under SISA and/or other regulations under Relevant Law as in force from time to time, and any regulations enacted in substitution for them or any of them.
- 1.1.35. **"Regulatory Authority"** means the Commissioner of Taxation or any other governmental authority responsible for administering the laws regulations or any other rules governing the operation of or the availability of income tax concessions to self-managed superannuation funds.

- 1.1.36. **"Relevant Law"** means all legislation and regulations thereunder in force from time to time regulating and/or affecting superannuation trusts and trust funds entitled to concessional taxation treatment within Australia and its States, including but not limited to SISA, the Family Law Legislation Amendment (Supervision) Act 2001, the Veterans Entitlements Act 1986, the Bankruptcy Act 1988, and the Social Security Act 1991.
- 1.1.37. **"Reserve Account"** means the account or accounts referred to in Clause 42 of these Rules.
- 1.1.38. **"Retirement Age"** means the earliest date by which a Member may retire from gainful employment and receive superannuation benefits including the Member's Account Balance under Relevant Law.
- 1.1.39. **"Reversionary Beneficiary"** means a person entitled to a reversionary pension;
- 1.1.40. **"Reversionary Pension"** means a pension payable to a beneficiary who succeeds a Member to the entitlement of the Member's pension entitlements;
- 1.1.41. **"Review Date"** means the review date determined by the Trustees and to be set out in the Trustees Minutes.
- 1.1.42. **"SISA"** means the Superannuation Industry (Supervision) Act 1993 as amended from time to time including the Regulations, or any legislation in force from time to time in substitution for the said legislation.
- 1.1.43. **"Spouse"** in relation to a Member includes a person who, although not legally married to the Member, lives with the Member on a bona fide domestic basis as the husband or wife of that Member.
- 1.1.44. **"Shortfall component"** has the same meaning as set out in the Guarantee Act.

- 1.1.45. **"Tax Act"** means the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997 as amended from time to time and all regulations thereunder, and any legislation in addition to or in substitution of all or part of that legislation.
- 1.1.46. **"Trust Fund"** means and includes all moneys from time to time held by or on account of the Trustees and all investments and property representing the same including any Policy, and all or any accretions and income therefrom from time to time held by or on account of or due to the Trustees.
- 1.1.47. **"Trust"** means the self managed superannuation fund established by the Deed.
- 1.1.48. **"Trustees"** means
- 1.1.48.1. the first Trustee or Trustees hereof; or
 - 1.1.48.2. all the Trustees; or
 - 1.1.48.3. a single Trustee being a corporate trustee,
 - 1.1.48.4. such Trustees as may be necessary to pass an effective resolution of Trustees, and in any event only these persons recognised as the Trustees of the Fund pursuant to Relevant Law, and "Trustee" shall have a like meaning;
- 1.1.49. **"Trustees' Minutes"** means those minutes referred to in Clause 10 of these Rules.

2. Interpretation

2.1. Unless the context or subject matter otherwise indicates or requires

- 2.1.1. any word or expression defined in the Tax Act and/or SISA and/or Relevant Law which is used but not defined herein shall have the meaning ascribed to such word or expression in the Tax Act and/or SISA and or Relevant Law as the case may be;
- 2.1.2. any word or expression importing the singular shall include the plural and vice versa; and

2.1.3. any word or expression denoting any particular genders shall include the other genders.

2.2. A power to appoint includes a power to vary or cancel the appointment.

2.3. A reference to a statute or regulation includes any consolidation, amendments, re-enactments, or replacements of same.

3. **Law**

3.1. This Deed shall be governed and construed in accordance with the laws of Western Australia and of the Commonwealth of Australia.

4. **Disputes**

4.1. The Trustees may maintain an internal procedure for dealing with Member complaints.

5. **Paramount Provisions**

5.1. Any provision or requirement of Relevant Law which is expressly required by Relevant Law to be included in the Deed or these Rules in order to comply with or satisfy a requirement of Relevant Law to enable the Fund to maintain its complying status as a regulated self-managed superannuation fund shall be deemed included in the Deed and these Rules.

5.2. The Trustees shall not do nor allow or permit to be done any act, matter or thing which would cause the Fund to fail to comply with or satisfy any applicable requirements under Relevant Law.

6. **Severability**

6.1. If any clause or part thereof contained in these Rules and any Schedules forming part of the Deed and these Rules shall be judged to be invalid for any reason, which invalidity shall extend to any inconsistency between the express terms of the Deed and these Rules and the express requirements of SISA and the Regulations or of Relevant Law, or any lawful direction of the Regulatory Authority, such invalid clause or part thereof shall be deemed to have been deleted from the Deed and these Rules without affecting the remainder.

7. The Objectives of the Trust

7.1. The principal objectives of the Trust are:

- 7.1.1.** to create and conduct an indefinitely continuing self-managed fund, established and maintained solely to provide fully secured retirement benefits to the Members of the Fund as and by way of old age pensions, and/or death and other benefits for dependants of the Members. Commutation of any part of a Member's Account Balance to a lump sum will only be as allowed by Relevant Law;
- 7.1.2.** subject to the foregoing, to provide ancillary benefits including such assistance in cases of sickness, misfortune or financial hardship for the Members and dependants of the members as the Regulatory Authority shall approve; and
- 7.1.3.** to conduct the Fund as a regulated self-managed superannuation fund as defined by Relevant Law.

8. Appointment and Removal of the Trustees

- 8.1.** The Trustees named in the Deed shall continue as Trustees of the Fund subject to this clause. If the primary objective of the Fund is not the payment of an old age pension under Clause 7.1 above then only a Corporate Trustee created pursuant to the Corporations Law and controlled by all of the Members as the only directors of that corporation can act as the Trustee of the Fund.
- 8.2.** Despite anything otherwise set out in these Rules the Trustees of the Fund must at all times comprise all of the Members of the Fund and total in number not more than four (4) Members and four (4) Trustees or, alternatively, if there is a Corporate Trustee as sole Trustee of the Fund, all of the Members must be all of the directors of that Corporate Trustee and not exceeding a total of four (4) directors. In no circumstances shall any Member or Trustee of the Fund be an employee of another Member or Trustee of the Fund unless they are related parties within the meaning of Relevant Law.
- 8.3.** In the case of a sole Member fund with a Corporate Trustee the Member is to be the sole director of the corporate trustee or, alternatively, is to be one of only two directors of that Corporate Trustee, and the other director must be

related to the Member, or the Member is to be one of only two directors of the Corporate Trustee, and the Member is not in those circumstances to be an employee of the other director. In the case where individuals are the Trustees that Member is to be one of only two (2) Trustees and the other Trustee is to be related, or, alternatively, the Member is to be one of only two (2) Trustees and the Member in question is not to be an employee of the other Trustee.

8.4. A Trustee shall hold office until the Trustee:-

8.4.1. dies; or

8.4.2. suffers any disability which renders him/her unable to manage his/her own affairs; or

8.4.3. becomes bankrupt; or

8.4.4. being a Corporate Trustee goes into liquidation, or in respect of which there is an order made for the winding up of the corporation other than for the purposes of amalgamation or reconstruction; or

8.4.5. is by operation of law disqualified from office as a Trustee; or

8.4.6. ceases to be a Member (in the case of an individual Trustee).

8.5. In the event of a Trustee ceasing to hold office as above, the Trustee shall be deemed to be discharged from the trusts of the Fund.

8.6. The provisions of Section 7(2)(c) of the Trustees Act 1962 (W.A) as amended shall not apply to the trusts constituted by the Deed and a sole Trustee may act as the Trustee of the Fund despite the number of Trustees appointed either as original Trustees of the Fund or at any later time, provided always that a sole individual Trustee cannot also be the sole Member of the Fund.

9. Meetings of the Trustees

9.1. The Trustees shall meet together at least once in each Fund Year and at such other times as they shall think fit.

9.2. The Trustees may meet, adjourn and regulate their meetings and proceedings as they shall think fit, and a meeting of the Trustees shall be competent to exercise the powers, authorities and discretions vested herein in the Trustees.

- 9.3. All matters arising at any meeting of the Trustees shall be decided by not less than a two thirds majority of the Trustees.
- 9.4. A resolution in writing signed by all the Trustees shall have the same validity and effect as a resolution made by the Trustees at a duly convened meeting.
- 9.5. Where the Trustees comprise a Corporate Trustee, trustee decisions shall be in accordance with the constitution or governing rules of that Corporate Trustee to the extent permitted by Relevant Law.

10. **Minutes**

- 10.1. The Trustees shall keep or cause to be kept in minutes setting out a complete record of all matters relating to resolutions and discretions, the investment strategies of the Trustees, and the proceedings of every meeting of the Trustees, and of every resolution otherwise made by the Trustees, and such minutes shall be signed by the Chairperson at the meeting, or at the immediate next succeeding meeting.
- 10.2. The minutes including all attachments are to be retained for a minimum period of ten years or such other minimum period as required by Relevant Law.

11. **Powers Authorities and Discretions of the Trustees**

- 11.1. The Trustees may from time to time or at any time exercise or enforce any powers, authorities or discretion conferred on the Trustees by the laws of the Commonwealth of Australia or of any State or Territory thereof and shall in addition thereto have vested in them the powers, authorities and discretions granted herein, subject to the requirements of Relevant Law.

12. **Professional Advisers**

- 12.1. The Trustees may at their discretion appoint, retain, suspend or terminate the services of any professional adviser for temporary, permanent or special services as they think fit for the proper administration of the Fund.
- 12.2. The Trustees may appoint one of their Members or another person to act as secretary of the Fund.

13. Legal Proceedings

- 13.1. The Trustees may commence, carry on, defend or abandon any legal proceedings in respect of the Fund as the Trustees think fit and proper to protect the interests of the Fund or the rights of Members, Pensioners, surviving Spouses or other persons entitled to a benefit from the Fund.
- 13.2. The Trustees may by arrangement with the Members agree to a variation in the execution and signing procedures referred to above, including the delegation of the authority of the Trustees in respect of same to any third party, including any one or more of the Members.

14. Signing of Documents by the Trustees

- 14.1. Subject to clause 15 below, any two (2) of the Trustees, or a person authorised by resolution of the Trustees, are hereby authorised on behalf of all the Trustees to execute, sign, enter into and acknowledge all cheques, negotiable instruments, agreements, contracts, deeds, writings, proposals and discharges for policies, assignments or transfers of policies or shares and other property and all other documents as validly and effectually as all the Trustees could do.
- 14.2. The Trustees may by arrangement with the Members agree to a variation in the execution and signing procedures referred to above, including the delegation of the authority of the Trustees in respect thereof to any third party including any one or more of the Members.

15. Prohibition on Remuneration of Trustees

- 15.1. In no circumstances are the Trustees to be remunerated in any way from the assets of the Fund and the prohibitions under Relevant Law as to remuneration of Trustees must be observed by the Trustees at all times.
- 15.2. Nothing in this clause will prevent the Trustees from being reimbursed for costs charges or expenses incurred by the Trustees in carrying out their duties hereunder. In addition, any of the Trustees carrying out professional tasks on behalf of the Fund shall be entitled to charge usual professional fees on an arm's length basis, and consistent with usual industry or professional charge rates for work of a like kind.

16. Protection of the Trustees

- 16.1. The Trustees may act on the advice or opinion of any professional adviser and shall not be responsible for any loss occasioned by so acting but subject always to the standards laid down pursuant to Relevant Law.
- 16.2. The Trustees shall not be liable for any losses (except losses arising from their own wilful default) or for any act or acts committed in the exercise of any power authority or discretion vested in them hereunder, or for the neglect or default of any professional adviser employed in good faith by the Trustees.
- 16.3. The Trustees shall, subject to Relevant Law, be indemnified against all liabilities incurred by or imposed upon them in the execution of their duties hereunder including any liability for taxes or duties in respect of the contributions to and the income of the Fund or taxes or duties incurred in the course of administration, and shall have a lien on the Trust Fund for such indemnity and without prejudice to the generality of this paragraph such indemnity shall apply to any payment made to any person who the Trustees bona fide believed to be entitled thereto although such person was not in fact entitled thereto.

17. Charge or Claim on Member's Benefits

- 17.1. The Trustees must not recognise, concede or in any way encourage or sanction any assignment of, or charge over, all or any part of a Member's Account Balance except as allowed by Relevant Law.

18. Eligible Persons

- 18.1. Any gainfully occupied person, and any retiree or other person allowed by Relevant Law, shall be eligible to become a Member of the Fund, provided however that in any event the total number of Members of the Fund must not exceed four (4) persons.

19. Contributions to The Fund

- 19.1. Contributions to the Fund may only be accepted by the Trustees consistent with Relevant Law, and shall form part of a Member's Account Balance.
- 19.2. The Trustees may accept shortfall contributions in respect of a Member under the provisions of the Guarantee Act.

19.3. The Trustees shall refuse to accept contributions from or on behalf of persons other than those approved by the Regulatory Authority to make contributions into the Trust Fund.

19.4. Any payment of any contributions made directly to an Insurer, investment manager or nominee shall be deemed to be both a payment of contributions to the Trustees and payment by the Trustees to the Insurer, investment manager or nominee, as the case may be.

19.5. No child contributions shall be made unless the Trustees first take the advice of a professional adviser as to the desirability of same.

20. **Preservation of Benefits**

20.1. The Trustees shall ensure that any Member's Benefits which are required to be preserved or which are restricted pursuant to the Regulations are so preserved or restricted until the satisfaction of the relevant conditions of release prescribed in the Regulations.

21. **Unrestricted Non-Preserved Benefits**

21.1. The Trustees shall clearly identify separation of unrestricted non-preserved benefits from all other Members' Benefits which are required to be preserved or restricted as set out above.

22. **Benefits upon Retirement, Death or Disability**

22.1. No Member shall be entitled to a benefit which exceeds the total of the Member's Account Balance.

22.2. Payment to a Member upon reaching Retirement Age (who has not otherwise become entitled to a benefit under Relevant Law) of any lump sum or pension benefit must be consistent with the requirements of Relevant Law.

22.3. If a Member (who has not otherwise become entitled to a benefit under these Rules) requests a benefit at or after Retirement Age the Member becomes entitled to a benefit equal to the Member's Account Balance.

22.4. In the case of a lifetime pension benefit entitlement occurs when:

22.4.1. the Member retires from gainful employment prior to the Member's attaining Retirement Age but subject to the restriction that the pension cannot be commuted as contemplated in Schedule Sub-Rule 3; or

22.4.2. the Member has attained the pension age and the Trustee consents to the payment of life time pension.

22.5. A Member's entitlement to a fixed term pension benefit occurs when:

22.5.1. the Member has attained the pension age and the Trustee consents to the payment of fixed term pension; or

22.5.2. the payment is permitted by Relevant Law.

Any other payments payable to a Member will be subject to the requirements of Relevant Law.

22.6. Prior to being paid a benefit a Member may elect in writing to receive the benefit in any manner contemplated by this Clause and indicate what amount may be payable as a lump sum payment or otherwise as a pension.

22.7. In the case of an election in relation to a pension the Member may specify whether or not it is intended to be a reversionary pension and if so to whom and under what terms or conditions the Member requires the pension to be made subject.

22.8. On the death of a Member a death benefit shall be payable in accordance with these Rules. The amount paid upon death shall not exceed the amount credited or required to be credited to the Member's Account Balance made up to the date of death.

22.9. A Member who ceases gainful employment on the ground of total and permanent disablement shall be entitled to receive a total and permanent disablement benefit which benefit shall not exceed the total amount properly credited to the Member's Account Balance up to the date of intended payment.

23. Ancillary Benefits

23.1. The Trustees may provide to the Member a benefit with minimum conditions of release and/or cashing restrictions as permitted by Relevant Law in any of the following circumstances:

- 23.1.1.** in the case of severe financial hardship as approved by the Trustees or the Regulatory Authority;
- 23.1.2.** when prior to normal Retirement Date the Member is no longer in gainful employment and the Member's benefit is a restricted non-preserved benefit under Relevant Law;
- 23.1.3.** when the benefit is an unrestricted non-preserved benefit under Relevant Law;
- 23.1.4.** upon temporary disablement of the Member where the benefit is payable in accordance with Relevant Law;
- 23.1.5.** any other type of benefit approved under Relevant Law.

24. Payment of Benefits

24.1. The benefit payable to a Member or beneficiary may be paid subject to Relevant Law as follows:

- 24.1.1.** an allocated pension which may include a lump sum component subject to any applicable limitations imposed by Relevant Law where the trustee is not a corporate trustee;
- 24.1.2.** a complying pension based on the advice of an actuary;
- 24.1.3.** a lump sum;
- 24.1.4.** an annuity acquired from an eligible fund;
- 24.1.5.** an ancillary benefit;
- 24.1.6.** a benefit in such form or manner permitted to be provided under Relevant Law; or

a combination of any of the above as agreed between the Member and the Trustees but subject always to requirements of Relevant Law.

25. Forms of Pension

25.1. Payment of a pension to a Member may be in any of the forms set out in the Schedule of Sub-Rules to these Rules.

26. Discretion to pay reversionary pension

26.1. If a Member dies and another rule permits the Trustees to pay a reversionary pension under this rule, the Trustees may continue paying the relevant pension to any or all of the Member's Dependants and legal personal representative in proportions the Trustees decide after considering any relevant Benefit Nomination or Benefit Direction.

27. Death Benefit

27.1. On the death of a Member a death benefit shall be payable equal to the Member's Account Balance calculated and adjusted to the date of death.

27.2. Where a Member has provided a Benefit Nomination or Benefit Direction, the Trustees will have a direction as to whether to accept or refuse any such nomination or direction, provided however that if the Trustees hold a Benefit Direction which has previously been accepted by the Trustees and the same is not revoked payment shall be made in accordance with that Direction but subject always to Relevant Law.

27.3. If the Trustees do not hold a current Benefit Direction in relation to any part of the benefit or if for any reason such direction cannot be followed, the Trustees must pay that part of the benefit to any one or more of the Member's Dependants and legal personal representative in such proportions as decided by the Trustees.

27.4. If there is no dependant or legal personal representative then, subject to Relevant Law, the Trustees may pay that part of the benefit to any other persons in proportions as determined by the Trustees.

27.5. No pension is payable to a person under these Rules until that person has been recorded as a Member.

27.6. Subject to the instructions in a Benefit Direction as to the manner of payment the Trustees may pay any part of the benefit as a lump sum or as a pension or in such other form as is considered appropriate by the Trustees.

28. Benefits Transferred from Other Funds

28.1. Subject to the provisions of this Deed, the Trustees may in their absolute discretion, and subject to such terms and conditions as they think fit, accept from the trustees of an Alternate Fund of which the Member is or was a member a benefit whether by way of cash, policy or otherwise, the amount of the benefit being an amount accrued in respect of the Member under such Alternate Fund.

28.2. That part (if any) of the said amount accepted by the Trustees as represents an amount vested in the Member at the date of transfer shall be held as a Member's Transferred Benefit PROVIDED THAT amounts included therein requiring preservation or restriction under the Regulations shall be identified and dealt with as such at the date of transfer.

29. Benefits Transferred to Other Funds

29.1. The Trustees may, if given written authority from a Member so to do transfer to the trustees of an Alternate Fund of which the Member shall become a member the whole or such part of the Member's Benefit otherwise payable in respect of the Member pursuant to the provisions of this Deed as the Trustees in their absolute discretion shall determine, and provided that the Trustees are satisfied that the preservation or restriction of that benefit and other requirements under Relevant Law will be met.

30. Rights to Benefits Forfeited Upon Legal Incapacity

30.1. Subject to Relevant Law, a Member, surviving spouse or other person entitled to a benefit hereunder shall at the discretion of the Trustee cease to be entitled to his or her benefit or any part thereof if in the opinion of the Trustees the said Member, surviving spouse or other person entitled thereto:

30.1.1. becomes bankrupt;

30.1.2. suffers any disability which renders him or her unable to manage his or her own affairs;

30.1.3. in any way attempts to assign, alienate, charge or encumber all or any part of his or her benefit except in accordance with the provisions of this Deed; or

- 30.2. Subject to clause 30.4 below the Trustees shall thereafter accept no further contributions in respect of a Member whose rights to benefits are forfeited pursuant to clause 30.1.
- 30.3. The Trustees shall set up a Forfeited Benefits account clearly designated as such, and into which forfeited benefits are transferred.
- 30.4. If a Member, surviving spouse or other person entitled to a benefit hereunder (and in respect of whom the application of Clause 30.1 above has caused the forfeiture of his or her rights to benefits) subsequently becomes discharged from bankruptcy or who in the opinion of the Trustees subsequently becomes capable of managing his or her own affairs, or in respect of whom any assignment, alienation, charge or encumbrance has ceased to have effect, or who is subsequently located (as the case may be), the Trustees may in their absolute discretion and subject to the provisions of this Deed, reinstate such rights to benefits as the Trustees in their discretion deem to be equitable having regard to the period for which contributions. ceased to be paid, and the amount (if any) of benefit, the right to which may have been. forfeited and has already been paid or applied in accordance with the provisions of this Deed and may thereafter accept contributions in respect of such Member in accordance with the provisions of the Deed.
- 30.5. Subject to the above, any monies remaining in the Forfeited Benefits Account shall be dealt with as the Trustees deem fit, subject to Relevant Law.

31. Insured Benefits

- 31.1. If for any reason the Insurer on the happening of an insured event does not pay to the Trustees any part of the proceeds of the Policy as would provide any part of the benefits payable hereunder the benefits payable to a Member hereunder, under the provisions of the Deed may in the discretion of the Trustees be reduced by the amount that the Insurer does not pay.
- 31.2. If for any reason the Insurer declines to accept any proposal for insurance or will only accept such proposal on terms and conditions which the Trustees in their absolute discretion regard as being unacceptable to the Trustees, the benefits payable under the provisions of the Deed on the happening of the uninsured event may in the discretion of the Trustees be reduced by the amount that is not insured.

- 31.3. If for any reason the Member fails or declines to provide the Trustees or the Insurer with such evidence as may be required to insure any part of the benefits payable in respect of the Member, or if for any reason the Trustees determine in their absolute discretion that any part of the benefits payable in respect of the Member shall not be insured, the benefits payable under the provisions of the Deed on the happening of the uninsured event may in the discretion of the Trustees be reduced by the amount that is not insured.

32. **Crediting Rates**

- 32.1. After 30 June in each year the Trustees must declare a Crediting Rate for each asset portfolio (or if there are none then for the Fund) to be applied as at 30 June to all Member Accounts remaining when the Trustees make that declaration.
- 32.2. The Trustees may declare interim Crediting Rates whenever the Trustees consider it appropriate to be applied to a Member's Account Balance as at the date whenever a benefit or transfer becomes payable from any such accounts.
- 32.3. The Trustees may apply a Crediting Rate to the Member Account Balances either monthly, quarterly or half-yearly.

33. **Investments by Trustees**

- 33.1. Investments made by the Trustees under the terms of the Deed and the Rules shall at all times be in accordance with the requirements of Relevant Law and specifically to meet the sole purpose test under S.62 of SISA.
- 33.2. Subject to the above, the Trustees may from time to time after consultation with the Members invest the whole or any part of the moneys or assets of the Trust Fund as they think fit, provided that all investments shall be made in accordance with the requirements of Relevant Law and the Fund investment strategy or strategies, and on an arms length basis and, without limiting the generality of the foregoing, either directly or indirectly in:
- 33.2.1. investments authorised or allowed by the laws of the Commonwealth of Australia or any State or Territory of the Commonwealth for the investment of trust funds;

- 33.2.2. overseas investments authorised or allowed under Relevant Law;
 - 33.2.3. approved pooled or master superannuation trusts;
 - 33.2.4. the securities of any government, semi-governmental body of public authority in Australia;
 - 33.2.5. approved deposit funds;
 - 33.2.6. listed securities on any official stock exchange;
 - 33.2.7. mortgages against real estate;
 - 33.2.8. deposits with any bank or building society or authorised dealer in the Australian short-term money market;
 - 33.2.9. shares, stocks, options, debentures, bonds, unsecured notes or other securities of any company or financial institution carrying on business in Australia or elsewhere;
 - 33.2.10. the purchase of land of any tenure whether improved or unimproved;
 - 33.2.11. bills of exchange and other negotiable instruments;
 - 33.2.12. the acquisition of units or sub-units of any common fund, property trust, unit trust, or cash management trust;
 - 33.2.13. the purchase of annuities either immediate or deferred, contingent upon the life of a Member, Dependant or surviving Spouse, or for a fixed period, and
 - 33.2.14. the payment of any premiums on a Policy.
- 33.3. The investments made by the Trustees shall be held in the names of the Trustees and/or a custodian selected by the Trustees.
- 33.4. The Trustees shall not borrow money nor secure the repayment of moneys by charge or mortgage over all or any of the assets in the Trust Fund except in such circumstances as shall first be approved in writing by the Regulatory Authority. The Trustees may only borrow to obtain temporary finance, such as by way of an overdraft or similar prescribed facility, as allowed by the Regulations.

34. Valuation of Assets

34.1. The Trustees shall in accordance with current Australian Accounting and Auditing Standards cause regular revaluations to be made of all of the assets held in the Fund, and for the purposes of such revaluations the Trustees may, after seeking the advice of a professional advisor if deemed appropriate, employ any formula or method which the Trustees in their absolute discretion believe to be fair and reasonable.

35. Policies of Insurance

35.1. The Trustees may effect or acquire or accept an assignment of and maintain any policy or policies which they consider suitable for the protection and augmentation of benefits payable under the provisions of the Deed or for the purpose of insuring any risk of loss on such terms and conditions and for such periods as the Trustees think fit, and such Policy shall be held upon trust to be administered according to the provisions of the Deed.

35.2. The Trustees shall have the power to continue such Policy and to discontinue surrender withdraw from assign or vary any such Policy

36. Loans to Members

36.1. Except as permitted by Relevant Law, the Trustees are prohibited from lending, or giving any other financial assistance using resources of the Fund, to any Member or relative of a Member.

37. Records

37.1. The Trustees must keep or cause to be kept a register of all Members showing their full names, addresses, dates of birth and all other particulars which the Trustees deem to be necessary for the proper administration of the Fund.

37.2. The Trustees must keep or cause to be kept such other registers, records and accounts as are prescribed by the Regulations from time to time.

38. Bank Accounts

38.1. The Trustees may open maintain and close such bank accounts whether current, savings, investment or other deposit accounts and such building society accounts as they determine, and generally do all such things and perform such acts as the Trustees in their absolute discretion consider appropriate in the administration of the moneys of the Trust fund and the performance of their obligations under the Deed.

39. Method of Paying Benefits

39.1. The payment by the Trustees of any amount in satisfaction of a benefit to or in respect of a Member or any other person entitled thereto may be by means of an order cheque payable to such person or the bank account of such person, and the payment so made shall be final and conclusive evidence that the moneys thereby paid have been paid and received by such person and all claims and demands against the Trustees in respect of the amount so paid have been absolutely satisfied and discharged.

39.2. The Trustees may require before the payment of a benefit, or any part of a benefit, such evidence as the Trustees in their absolute discretion deem to be relevant and necessary in respect of the payment of the benefit, including but not limited to evidence of the date of birth of a Member, evidence of marriage or bona fide de-facto relationship in respect of a Dependant, evidence of survival in respect of a payment by pension or annuity and evidence of death in respect of a Member.

39.3. If a person to whom the Trustees determine a benefit or any part of a benefit is to be paid has not reached the legal age of adulthood, or if in the opinion of the Trustees it would be in the best interests of the said person, the Trustees may in their absolute discretion pay and entrust all or any part of the benefit to any legal personal representative or guardian or custodian to be applied for the benefit of the first said person, and the payment thereof shall be final and conclusive evidence that the moneys thereby paid and entrusted have been paid and received and all claims and demands against the Trustees in respect of the amount so paid have been absolutely satisfied and discharged.

39.4. The Trustees may with the agreement of a Member or beneficiary to whom a benefit is payable transfer Fund assets by way of in specie distributions including investments of equivalent value to that Member or beneficiary in lieu of paying the whole or part of the amount otherwise payable under this

Deed and the Rules, provided the Trustees are able to satisfy the Regulatory Authority that the transfer will not cause the Fund to fail to satisfy the requirements of Relevant Law.

39.5. In the case of any payment to a Member, or any other entitled person pursuant to any court order, including any order of the Family Court, the Trustees must first sight a sealed copy of the relevant court order and, if necessary, take professional advice before making the payment.

40. **Annual Accounts**

40.1. The Trustees shall prepare or cause to be prepared in respect of each Fund Year a statement of all income and expenditure and a balance sheet duly audited (where required).

41. **Taxes**

41.1. The Trustees shall prepare or cause to be prepared such returns of income as the Regulatory Authority may require and such other returns or reports to the Regulatory Authority and/or Government bodies as the Trustees may by the operation of Relevant Law be required so to prepare.

41.2. The Trustees may deduct from any Member's Benefit any taxes or duties for which they are accountable, and pay only the residual amount in respect of such Benefit, and to account for such taxes or duties to the, appropriate authorities.

41.3. The Trustees may deduct from any contributions to the Fund any contributions tax or other tax required by law.

42. **Reserve Accounts**

42.1. The Trustees may maintain and deal with such reserve account or accounts as shall be consistent with Relevant Law from time to time.

42.2. Without limiting the generality of the foregoing the Trustees may open, maintain and close any:

42.2.1. investment reserve account;

42.2.2. taxation reserve account;

- 42.2.3. contributions reserve account;
- 42.2.4. pension reserve account;
- 42.2.5. forfeited benefits account; or
- 42.2.6. miscellaneous reserve account.

42.3. Capital gains and franked dividends may be dealt with separately from other capital or income in respect of any reserve account.

43. **Investment Accounts**

43.1. The Trustees may maintain and deal with such investment account or accounts as are consistent with Relevant Law from time to time.

44. **Accounts Generally**

44.1. In dealing with any accounts of the Fund the Trustees shall have a discretion to allocate capital gains or losses, franked and other dividends, and foreign sourced income or any special category income separately from all other income of the Fund.

45. **Audit**

45.1. The Trustees shall, where required pursuant to the Regulations, appoint an approved auditor to carry out an annual audit of the accounts and records of the Fund.

45.2. An auditor so appointed shall have access to all papers, accounts, books records and documents in respect of the Fund and shall prepare a report in writing on the affairs of the Fund. The auditor shall submit to the Trustees the written report so produced.

45.3. The auditor so appointed shall certify, in the manner required by the Regulations, that the Fund's return to the Regulatory Authority for the year is true and fair in the auditor's opinion, and according to the information and explanations given by the Trustees and as shown in the books, accounts and other relevant records. of the Fund.

46. Actuary

- 46.1. The Trustees shall appoint an Actuary for all and any purposes prescribed by the Regulations, and to complete the necessary actuarial investigation and report required from time to time by the Regulations.

47. Disclosure Standards

- 47.1. The Trustees shall disclose to the Members, and others entitled to the information any reports information or documents which are required to be disclosed by Relevant Law.

48. The Deed and Amendments to the Deed

- 48.1. A copy of the Deed shall be kept by the Trustees for inspection by any Member at all times and by any eligible person making application to become a Member of the Fund.

- 48.2. The Trustees shall be entitled at any time and from time to time, by deed to alter, add to or repeal all or any of the provisions of the Deed:-

48.2.1. to enable the fund to comply with Relevant Law, or

48.2.2. to enable the Trustees to vary the benefits of Members for the purposes of these Rules, or

48.2.3. for any other purpose,

PROVIDED THAT no such alteration addition or repeal shall operate so as to:-

48.2.3.1. vary the objects of the Deed; or

48.2.3.2. remove or diminish or purport to remove or diminish those benefits vested in a Member,

48.2.3.3. enable any preserved or restricted benefit to be paid out of the Fund in contravention of the Deed or Relevant Law;

48.2.3.4. prejudicially affect the existing rights in respect of any Member at the date from which such alteration, addition or repeal is to be effective unless all of the Members

shall consent thereto in writing and there is no breach of Relevant Law;

48.2.3.5. take effect as a trust resettlement by operation of law.

49. Termination of The Fund

49.1. The Fund may be terminated by the Trustees if there are no Members in the Fund or the Members direct the Trustees in writing to do so and the Trustees resolve that the Fund should be wound up.

49.2. The Fund must be terminated by the Trustees if:

49.2.1. the Trustees give notice to the Members requiring that the Fund be wound up;

49.2.2. it is a requirement of Relevant Law that the Fund be wound up;

49.2.3. there are no assets in the Fund nor any remaining entitlement of the Fund to receive assets or contributions of any kind.

49.3. Once the Trustees have determined that the Fund is to be wound up they must record a termination date and no further contributions must be made to the Fund after the termination date.

50. Payment of Benefits on Winding Up

50.1. Upon termination of the Fund the Trustees shall apply Fund assets in the following priority:

50.1.1. in payment of all proper costs of administering and winding up the Fund;

50.1.2. in payment of Members' Accumulated Benefits which as at the termination date have become payable to Members and/or dependants and/or legal personal representatives of deceased Members;

50.1.3. in payment or transfer of Members' Accumulated Benefits subject always to the preservation rules under Relevant Law;

- 50.1.4. in payment of any surplus to Members, former Members, dependants or legal personal representatives of Members in such proportion as the Trustees determine is appropriate.

51. Notices Concerning Breaches

- 54.1 The Trustees shall give notices of all breaches of the Regulations and of all significant adverse events affecting the Fund to the Regulatory Authority in accordance with the Regulations.

52. Other Notices

- 52.1. Any letter, notice or other document to be served on the Trustees be deemed to have been duly served if delivered personally or transmitted by fax or e-mail or sent by prepaid post addressed to the Trustees at the address/es of the Trustees shown at the beginning of this document.
- 52.2. Any letter, notice or other document to be served on a Member or Dependant or other person shall be deemed to have been duly served if delivered personally to him/her or sent by prepaid post or by fax or e-mail to him/her at the address last known to the Trustees.
- 52.3. Any letter, notice or other document sent by post shall be deemed to have been served on the day when in the normal course of post it should have been delivered to the recipient's address and in the case of a fax or e-mail immediately upon completion of the transmission of same.

53. Confidentiality

- 53.1. The Trustees shall keep confidential all information they obtain concerning the administration and management of the Fund, and concerning the Members and their Dependants, and only use that information in the administration and management of the Fund and, unless required expressly in these Rules, or by Relevant Law, shall not be obliged to give reasons for their acts or omissions.

54. Power of Attorney

54.1. Each Member hereby irrevocably appoints the Trustees and each of them his or her attorney to execute and sign and do all such deeds instruments acts and things as the Trustees may consider necessary or desirable in order to carry out, exercise and give full effect to the Deed and/or these Rules, and/or the powers, authorities and discretions vested in the Trustees thereunder.

55. GST

55.1. The Trustees shall confer with their professional advisers from time to time with respect to any liability for the payment of GST under the provisions of A New Tax System (Goods and Services Tax) Act 1999, and registration for GST.

56. Benefit Nomination

56.1. A Member may give to the Trustees a Benefit Nomination which must be in the form of a written notice from a Member nominating one or more dependants to receive a benefit payable under these Rules and which may in respect of each dependant nominate a specific proportion of the benefit.

57. Benefit Direction

57.1. A Member may give to the Trustees a Benefit Direction which must be in the form of a written notice from a Member directing the Trustees to pay the whole or any part of a benefit under the Rules to one or more dependants in specific proportions and which may include instructions as to the manner of payment whether by way of lump sum or pension.

58. Superannuation Splitting

58.1. The Trustees must at all times comply with any lawful order of the Family Court with respect to the splitting of a Member's Accumulated Benefit or any other benefit in the Fund pursuant to the provisions of the Family Law Legislation Amendment (Superannuation) Act 2001 and the regulations thereunder.

58.2. Without limiting the generality of the foregoing the Trustees will, in connection with any superannuation split arrangement involving a Member of the Fund,

ensure that any information requested with respect to a Member's Accumulated Benefit meets the requirements of the Family Law Legislation Amendment (Superannuation) Act 2001 and the regulations thereunder.

Schedule

A pension may be paid in any one or more of the forms of pension set out in the following Sub-Rules, subject always to the requirements of Relevant Law:

Sub-Rule 1 - Allocated Pension

- 1.1 If a Member (other than a Member who has requested a lump sum or a pension under another rule) becomes entitled to a benefit under these rules, the Trustee may pay a benefit as a pension on terms that the Trustee and Member agree, as to the level and frequency of payment. The level of the pension must be within the maximum and minimum levels prescribed by Relevant Law and the Trustee must pay the pension at least annually. The request may nominate one or more of the Member's Dependants as reversionary beneficiaries (either successive or concurrent) in relation to the pension. If reversionary beneficiaries are nominated as concurrent, the request must nominate the respective portions of the pension that revert to them.
- 1.2 A pension entitlement must not be transferred or used as security for a borrowing unless Relevant Law permits.
- 1.3 The Trustees must debit a Member's Pension payments to the Member's Account Balance.
- 1.4 The Member may elect to commute all or part of the pension (up to the Member's Account Balance) by notifying the Trustees in writing.
- 1.5 The Trustees must comply with the Member's election if the Trustees approve the election and the election complies with Relevant Law.
- 1.6 If the Member dies while entitled to the pension, the Trustees may either pay a benefit under Rule 24 or continue the pension under Rule 26 or a benefit under Rule 27.
- 1.7 The pension commences when the Trustees and the Member agree (but no later than required by Relevant Law) and ends when no remaining sum remains in the Member's Account Balance.

Sub-Rule 2 - Fixed (non-complying pension)

- 2.1 If a person entitled to a benefit makes a written request to the Trustees for a fixed (non-complying) pension, the Trustees must pay a pension to the

Member, at least annually, at the rate and for the term (if any) determined by the Trustees after consultation with an Actuary having regard to:

- 2.1.1 the fixed term or rate requested;
- 2.1.2 the agreed residual capital value (if any) of the pension; and
- 2.1.3 the Member's Account Balance.

2.2 The request may nominate one or more of the Member's Dependants as reversionary beneficiaries (either successive or concurrent) in relation to the pension. If reversionary beneficiaries are nominated as concurrent, the request must nominate the respective portions of the pension that revert to them. If no reversionary beneficiary is nominated then on the Member's death, the Trustee may nevertheless continue the pension under Rule 26.

2.3 When the pension commences, the rights of the Member in respect of the Member's Account Balance are merged into the right to receive the pension. However, the Trustees must continue to keep the relevant Member Accounts in order to determine the maximum amounts payable on death, commutation or cessation of the pension as provided in the Rules.

2.4 Subject to Relevant Law, the Trustees' liability in respect of the pension is limited to the balance for the time being of the relevant Member Accounts.

2.5 The rate of payout may be varied from year to year. However, the variation in any year must not be more than the average rate of increase of the Consumer Price Index in the preceding Three (3) years except in relation to payments, by way of commutation, for superannuation contributions surcharge. When setting the rate of the pension, the Trustees may agree with the Member that the pension is to have a residual capital value. When the pension ceases, the Trustees must pay that amount to the Member as a lump sum or pension benefit.

2.6 The amount of the residual capital value must always be consistent with the Actuary's advice and the manner of payment must be consistent with Relevant Law. If no residual capital value is agreed when the pension commences, then no amount is payable when the pension ceases.

2.7 When the pension ceases the Trustees may (in the Trustees' absolute discretion but subject to Relevant Law) apply any remaining sums remaining

in the Member's Account Balance for any purposes. Those purposes may include granting a further benefit entitlement to the Member, but only to the extent that the balance arises because the earnings credited to the relevant Member's Account Balance have been greater than anticipated in the Actuary's advice.

- 2.8 Any amount payable on commutation must at all times be subject to Relevant Law.
- 2.9 If the pension reverts or is commuted, it must not have a reversionary component greater than 100% of the benefit that was payable before the reversion or commutation. In any event, any conversion to a lump sum shall be limited to the sum determined by applying to the pension the appropriate pension valuation factor under Schedule 1B to the Superannuation Industry (Supervision) Regulations as if the commencement day were the day on which the commutation occurs.

Sub-Rule 3 - Lifetime (RBL complying) pension

- 3.1 A person entitled to a benefit may make a written request to the Trustees for a lifetime (Reasonable Benefit Limit complying) pension. The request may nominate one or more of the Member's Dependants as reversionary beneficiaries (either successive or concurrent) in relation to the pension. If reversionary beneficiaries are nominated as concurrent, the request must nominate the respective portions of the pension that revert to them. If no reversionary beneficiary is nominated then on the Member's death, the Trustees may nevertheless continue the pension under Rule 26.
- 3.2 On receipt of the request, the Trustees must pay a pension at least annually to the Member throughout the Member's life and if there is a reversionary beneficiary:
- 3.2.1 throughout the reversionary beneficiary's life; or
 - 3.2.2 if he or she is a child of the Member or of a former reversionary beneficiary (including any adopted child, stepchild or ex-nuptial child):
 - 3.2.2.1 at least until he or she reaches age 16; or

3.2.2.2 if at age 16 he or she is a full-time student, at least until the end of his or her full-time studies or until his or her 25th birthday (whichever occurs sooner).

- 3.3 The Trustees must fix the rate of the pension after consultation with an Actuary having regard to the balance of the relevant Member Accounts. The Trustees and the Member must confirm that rate by written agreement. The agreement will form part of these sub-rules. The pension is to commence on the date of the agreement and the first payment must relate to the year commencing on that date. Once the pension commences, the rate may not be varied unless the variation is allowed for in these sub-rules.
- 3.4 The rate of the pension may be increased or decreased from year to year by the amount (if any) agreed between the Trustee and the Member. However, a decrease may occur only if the CPI Change is negative and is limited to the rate of CPI Change. For this purpose "CPI Change" means the percentage change in the CPI for the second last quarter before the first payment for the current year is to be made, compared to the CPI for the same quarter in the preceding year.
- 3.5 On commencement of the pension, the rights of the Member in respect of the Member's Account Balance will be replaced by the right to receive the pension.
- 3.6 Subject to Relevant Law, the Trustees' liability in respect of the pension will be limited to the balance for the time being of the relevant Member Accounts.
- 3.7 The pension will have no residual capital value and may not be commuted except:
- 3.7.1 within 6 months after commencement; or
 - 3.7.2 within 10 years after commencement and in favour of either the Member's estate or a reversionary beneficiary to whom the pension reverts on the Member's death; or
 - 3.7.3 if the lump sum resulting from the commutation is applied directly to the purchase of another lifetime (RBL complying) or fixed term (RBL complying) pension provided under these rules or equivalent rules; or

3.7.4 to pay an assessment under the Superannuation Contributions Tax (Imposition) Act 1997.

- 3.8 If the pension reverts or is commuted, the reversionary component or commuted amount must not be greater than the benefit that was payable before the reversion or commutation.
- 3.9 The pension must not be used as security for a borrowing or transferred except to a reversionary beneficiary on the death of the Member or of another reversionary beneficiary.
- 3.10 The Trustees must continue to keep the relevant Member Accounts and must debit pension payments and commutations to those Member Accounts.

Sub-Rule 4 - Lifetime (ATE) pension

- 4.1 A person entitled to a benefit may make a written request to the Trustees for a lifetime (Asset Test Exempt) pension. The request must specify whether the pension is intended to comply with section 9A of the Social Security Act or section 5JA of the Veterans' Entitlements Act. The request may nominate one or more of the Member's Dependants as reversionary beneficiaries (either successive or concurrent) in relation to the pension. If reversionary beneficiaries are nominated as concurrent, the request must nominate the respective portions of the pension that revert to them. If no reversionary beneficiary is nominated then on the Member's death, the Trustees may nevertheless continue the pension under Rule 26.
- 4.2 Sub-Rules 3.2 to 3.10 apply in respect of the pension except that:
- 4.2.1 sub-rule 5.3 applies instead of sub-rule 3.4;
 - 4.2.2 sub-rule 3.7.1 does not apply if the pension was purchased by transferring a payment resulting from the commutation of another pension that complied with section 9A or 9B of the Social Security Act or section 5JA or 5JB of the Veterans' Entitlements Act;
 - 4.2.3 as to sub-rule 3.7.2, the pension is commutable only to the extent necessary to cover any superannuation contributions surcharge that the pensioner is liable to pay in his or her capacity as purchaser of the pension;
 - 4.2.4 the pension may not be commuted to pay a "hardship amount" as defined in section 9A of the Social Security Act or section 5JA of

the Veterans' Entitlements Act unless proved under Relevant Law;
and

- 4.2.5 any conversion to a lump sum is limited to the sum determined by applying to the pension the appropriate pension valuation factor under Schedule 1B to the Superannuation Industry (Supervision) Regulations as if the commencement day were the day on which the commutation occurs.

Sub-Rule 5 - Fixed Term (RBL complying) pension

- 5.1 A person entitled to a benefit (and who has reached Pension Age) may make a written request to the Trustee for a fixed term (Reasonable Benefit Limit complying) pension. The request may nominate one or more of the Member's dependants as reversionary beneficiaries (either successive or concurrent) in relation to the pension. If reversionary beneficiaries are nominated as concurrent, the request must nominate the respective portions of the pension that revert to them. If no reversionary beneficiary is nominated then on the Member's death, the Trustees may nevertheless continue the pension under Rule 26.
- 5.2 On receipt of the request, the Trustee must pay a pension to the Member at least annually for:
- 5.2.1 if the Member's Life Expectancy is 15 years or more, a period agreed between the Trustees and the Member, being at least 15 years but not more than the Member's Life Expectancy (rounded up to the nearest whole number if it is not a whole number and the Member wishes); or
- 5.2.2 if the member's Life Expectancy is less than 15 years, the period of the Member's life Expectancy (rounded up to the nearest whole number if it is not a whole number and the Member wishes).

For this purpose, **Member's Life Expectancy** means the number of years in the complete expectation of life of the member as at the commencement of the pension according to the Australian Life Tables most recently published by the Australian Government Actuary before the year when the pension commenced.

5.3 The rate of the pension may not be decreased, but may be increased from year to year by the amount (if any) agreed between the Trustees and the Member, being at most:

5.3.1 5%; or

5.3.2 if the CPI Increase is more than 4%, then 1% plus the rate of the CPI Increase. For this purpose CPI Increase means the percentage increase in the CPI for the second last quarter before the first payment for the current year is to be made, compared to the CPI for the same quarter in the preceding year.

5.4 The pension has no residual capital value and may not be commuted except:

5.4.1 within 6 months after commencement; or

5.4.2 in favour of either the Member's estate or a reversionary beneficiary to whom the pension reverts on the Member's death; or

5.4.3 if the lump sum resulting from the commutation is applied directly to the purchase of another (RBL complying) or fixed term (RBL complying) pension provided under these rules or equivalent rules; or

5.4.4 to pay an assessment under the Superannuation Contributions Tax (Imposition) Act 1997.

Any conversion to a lump sum under this rule is limited to the sum determined by applying to the pension the appropriate pension valuation factor under Schedule 1B to the Superannuation Industry (Supervision) Regulations as if the commencement day were the day on which the commutation occurs.

5.5 Sub-Rules 3.3, 3.5, 3.7, 3.8 and 3.10 inclusive apply in respect of the pension.

Item 6 - Fixed Term (ATE) pension

6.1 A person entitled to a benefit (and who has reached Pension Age) may make a written request to the Trustees for a fixed term (Asset Test Exempt) pension. The request must specify whether the pension is intended to comply with section 9B of the Social Security Act or section 5JB of the

Veterans' Entitlements Act. The request may nominate one or more of the Member's Dependants as reversionary beneficiaries (either successive or concurrent) in relation to the pension. If reversionary beneficiaries are nominated as concurrent, the request must nominate the respective portions of the pension that revert to them. If no reversionary beneficiary is nominated then on the Member's death, the Trustees may nevertheless continue the pension under Rule 26.

6.2 Sub-Rules 3.2 to 3.5 inclusive apply in respect of the pension except that:

- 6.2.1** Sub-Rule 5.4.1 does not apply if the pension was purchased by transferring a payment resulting from the commutation of another pension that complied with section 9A or 9B of the Social Security Act or section 5JA or 5JB of the Veterans' Entitlements Act;
- 6.2.2** as to Sub-rule 5.4.4, the pension is commutable only to the extent necessary to cover any superannuation contributions surcharge that the pensioner is liable to pay in his or her capacity as purchaser of the pension; and
- 6.2.3** the pension shall not be commuted to pay a "hardship amount" as defined in section 9A of the Social Security Act or section 5JA of the Veteran's Entitlements Act unless approved under Relevant Law.
